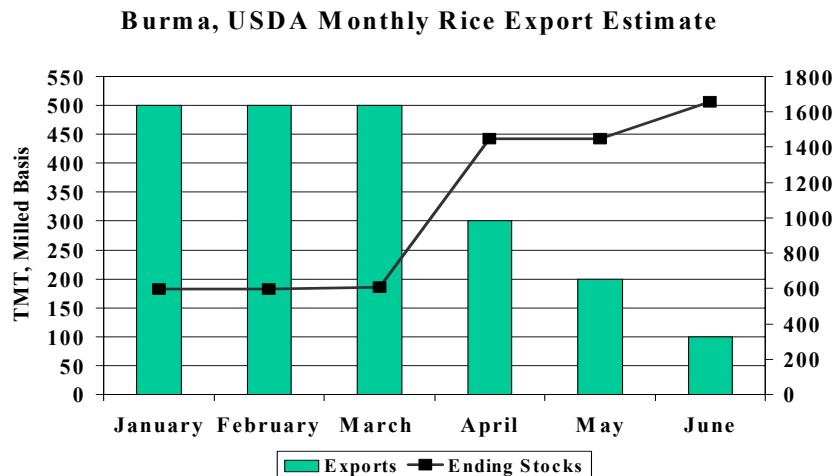


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## RICE: WORLD MARKETS AND TRADE

### MONTHLY HIGHLIGHTS:

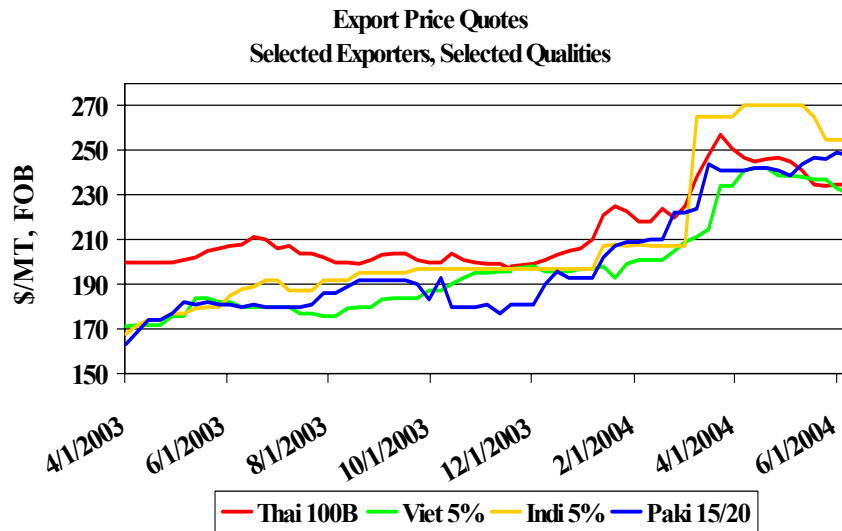
**Burma Rice Exports Plummet:** Despite rising stocks and relatively low domestic prices, Burma's exports are expected to shrink to a mere 100,000 tons as the government-imposed export ban is now expected to extend until at least March 2005.



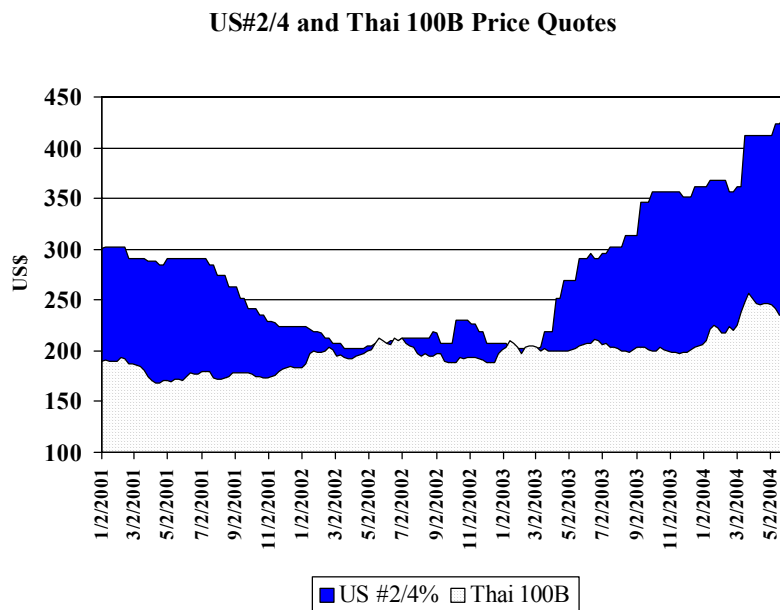
**China Update:** Despite a reduction in the 2003/04 production estimate, imports are revised down 300,000 tons to 1.0 million. This reflects both cancelled sales and import pace through April. It seems that the release of government-held stocks, which amounted to almost 2 million tons January through April, achieved the government's goal of stabilizing domestic prices, thereby decreasing the immediate need for imports. The government has also implemented longer-term strategies for increasing grain production. For example, it will provide a direct subsidy to grain farmers and, in Jilin and Heilongjiang provinces, the farmers are currently exempt from paying the agriculture tax. Meanwhile, 2004/05 production is forecast up year-to-year, but was revised down slightly month-to-month.

### PRICES:

**International:** World prices have eased over the last month as China retreated from the market and cancelled contracts. Thai 100B is currently quoted at \$235 per ton, FOB, and has been hovering around this level for the last 4 weeks, down \$10 from last month. Prices in Vietnam have also weakened, with 5% quoted at \$231 per ton, FOB, down \$8 since last month. With hopes fading for significant exports and subsidies, quotes for Indian 5% are down \$15 to \$255 per ton, FOB.



**Domestic:** U.S. #2/4 long grain milled rice is currently quoted at \$428 per ton, FOB, thereby widening the spread between U.S. and Thai prices to \$193 per ton. Price quotes for U.S. #1/4 medium grain milled rice from California are quoted at \$440 per ton, bulk, ex-spout Sacramento.



## TRADE CHANGES IN 2005

### **Selected Exporters**

- **Australia** down 100,000 tons to 500,000 based on a smaller production forecast.

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### **Selected Importers**

- **Dominican Republic** is revised up 25,000 tons to 75,000 as a result of tight domestic supplies.
- **Sri Lanka** is increased 70,000 tons to 100,000 as a consequence of diminished domestic supplies.

### **TRADE CHANGES IN 2004**

#### **Selected Exporters**

- With the continuation of the government-imposed export ban, **Burma** is revised down 100,000 tons to 100,000.

#### **Selected Importers**

- **China** is down 300,000 tons to 1.0 million because of cancelled contracts and pace to date.
- Due to the recent floods and drought situation, **Dominican Republic** is increased 75,000 tons to 150,000.
- **Sri Lanka** is increased 70,000 tons to 100,000 in response to tight domestic supplies as a result of drought.

Note: The EU-25 export and import numbers have been revised based on a recent assessment of intra-trade.